

S & T » Agriculture

Published: July 18, 2012 22:32 IST | Updated: July 18, 2012 22:32 IST

Gearing up to face the challenges of a possible drought

M. J. Prabu



The Hindu Small farmers have to be educated what to do during drouhgt. Photo: Basheer

The agriculture ministry must take adequate steps to plan strategies

The lessons learned from the 2009 drought could be the guiding factor to prevent a repeat in loss of agriculture production.

“The indication of a below normal monsoon in North West and South India by the experts of the Meteorological Department during a conference was a wakeup call to all concerned.

“Since Kharif season is monsoon-dependent, any forecast on the delayed or abnormal rain fall must be taken seriously,” says Dr.V.Rajagopal formerly Director of Central Plantations Crop Research Institute (CPCRI) Kasaragod and an expert on drought research for over four decades.

Possible drought

The official forecast was made on the monsoon by the Indian Meteorology Department during mid May, followed by the Union Agriculture Minister issuing a warning on a possible drought.

“There is need for the Ministry of Agriculture to take adequate steps now itself to plan the strategies,” he says.

The lessons learned from the past when there were problems to face the drought must serve as guiding factor for preparedness to help the farmers to overcome the vagaries of weather.

During that year over 50 lakh hectare area with rice crop suffered due to delayed monsoon and the seedlings almost died, which resulted in a huge loss of over 13 million tonnes.

“As many as 262 districts were declared as in the ‘deficient’ rainfall zone. Sugarcane and many horticulture crops also faced adverse impact of drought; food inflation followed.

The unpreparedness of all concerned departments to manage the situation caused by an unprecedented drought in recent years was evident,; lamented Dr. Rajagopal.

Adverse impact

It was definitely avoidable and the adverse impact could have been minimized had the contingency plans been in place at the right time.

Since sizable area in the Southern region is rain fed, with many important crops like millets and oil seeds with high nutritive value, and many farmers depend for their livelihood, the dry land farming technologies developed by the ICAR Institutes and the ICRISAT need to be implemented with contingency plans during / after the sowing season of various crops.

“The advisory team comprising scientists from the Institutes, State Agriculture Universities and the extension personnel from the Department of Agriculture/Horticulture/Veterinary and Fisheries must be on alert to come to the rescue of the farmers in case of an impending drought situation.

“Any sign of unpreparedness is bound to reflect not only on deficit in agriculture production but extraordinary distress among the farmers whose suicidal tendencies will increase,” he warns.

High demand

The country cannot afford to lose more farmers when the demand for food production is pretty high to feed millions of citizens.

As many small farmers in the country depend on rainfall during the farm operations, they have to be educated adequately on the 'dos' and 'don'ts' during the occurrence of drought, based on value addition to weather data.

Their helplessness was evident during 2009 when some farmers in drought affected areas were not guided properly about the seed materials, sowing operations and alternate approaches.

In Anantapur District of Andhra Pradesh, the delayed distribution of groundnut seeds to farmers after the rainfall affected the entire field operations, and therefore their income.

This resulted in heavy economic losses, which forced some of them to borrow money from the lenders at high interest rates.

Farmer suicides

Failure to repay the debts culminated in suicides. The fact that Maharashtra and Andhra Pradesh States topped the list for high farmer suicides reflect on the unsatisfactory remedial measures to compensate the losses suffered due to drought like conditions.

Dr. Rajagopal published a book on 'Drought tolerant crop species of India' in 1996, with over 80 crops well documented on all aspects.

"It is time to update the same, so that the promising drought resistant varieties of crops are made available to the farmers in drought prone areas," he says.

He feels that an inventory of such varieties with reasonable high yield even under low moisture availability must be the priority.

Bridge the gap

One way of bridging the gap between the potential yield and actual yield will be to replace the drought susceptible varieties with relatively resistant/tolerant varieties to sustain overall production, according to him.

Contact Dr. V.Rajagopal at e mail rajvel44@gmail.com, mobile: 094412 00217.

Raingun sprinkler proves economical

A. Tajuddin

S. Somasundaram

It saves labour and electricity

Rainguns are high performance impact sprinklers designed for a variety of uses and applications where relatively high flows and extended radius of throw are desired.

Rainguns are available with operating pressure of 2.0 to 7.5 kg/cm² and flows of 3 to 30lps usually with nozzle diameters ranging from 10 to 30 mm and with a wetting radius of 27 to 60 metre.

Spring loaded

These type of sprinklers have a spring loaded element which is forced to rotate by the flowing water jet. Raingun sprinkler irrigation is recommended for field crops such as sugarcane, pulses, oil seeds, cereals, tea, coffee and vegetables.

It has also wide application in large turfs, lawns and playgrounds.

A raingun may be permanent or portable. In a permanent raingun the gun riser stands are permanently fitted on the pipeline network.

It can also be supported by cement concrete block around the riser.

In portable rainguna, the entire pipeline network along with the gun riser stand can be shifted from one location to another.

One raingun can cover upto 4 hectare (10 acre) of land. With raingun water saving of 30 to 50 per cent has been reported in different crops.

Uses

It saves labour and electricity. Pests and insects get washed away during raingun irrigation. In one and half hours about 0.50 acre can be irrigated by this sprinkler.

A recently conducted field experiment at the Agricultural Engineering College &

Research Institute, Kumulur Tamil Nadu Agricultural University revealed that raingun irrigation can be economically used for irrigating cluster beans. Performance of a raingun may be affected by wind. The cost of a single raingun varies from Rs. 25,000 to 50,000 according to the wetting radius.

(A. Tajuddin, Dean and S. Somasundaram, Asst Prof, Tamil Nadu Agricultural University, Agricultural Engineering College & Research, Institute, Kumulur, Tiruchi, email: deancaekum@tnau.ac.in, phone: 0431-2912359.)

Published: July 19, 2012 00:00 IST | Updated: July 19, 2012 04:50 IST

Cluster cultivation: sweet deal for grape growers

Staff Reporter



Good yield: Commissioner for Horticulture Santhosh Babu (centre), interacting with a farmer at Anaipatti near Theni, on Wednesday.

Cluster cultivation with high yielding grape varieties using grafted plants will boost yield and improve production, said Commissioner for Horticulture Santhosh Babu.

Interacting with grape growers at Chinnamanur and Cumbum during his visit to the district here on Wednesday, he said that cluster cultivation will ensure uniform size, colour and quality of fruit that will fetch better income for the farmers.

Mass production will also bring down production cost and other input costs.

More over, the State Government has been encouraging cluster formation in large scale and sufficient funds will be released to farmers for cluster formation.

Stating that a cluster project proposal has to be sent to the government for providing the necessary subsidy to farmers, Commissioner for Horticulture pointed out that the role of farmers was important in the formation of clusters.

Precision farming

Farmers at Erasakkanaickanur village were briefed about precision farming in banana cultivation.

The Commissioner also advised farmers to use all kinds of latest technologies and farming techniques to produce export quality fruits, as exports would fetch better price for their produce.

The Commissioner also inspected farm fresh banana processing centre and also discussed with the officials on post harvesting techniques adopted by farmers after ripening. Dr. Santhosh Babu inspected the grape research field set up by the Horticultural College and Research Station in Periakulam and cultivation of Y shape grape.

More visits will be made to discuss with banana growers on better technologies to boost yield and post-harvesting techniques.

He also presided over a review meeting of the Horticulture Department at the Collectorate. Deputy Director for Horticulture S. Muguran and other officials accompanied him.

Published: July 19, 2012 00:00 IST | Updated: July 19, 2012 04:54 IST

Official seeks to allay fears of delta farmers

G. Venkataramana Rao

Situation changes after release of water from Sagar is stopped



Hoping for the best: A farmer applying urea in paddy nursery beds at Angaluru village in Gudlavalleru mandal in Krishna district. —Photo: Ch.Vijaya Bhaskar

The hopes of Krishna delta farmers, which were temporarily raised, have been dashed again with the irrigation authorities stopping the release of water from the Nagarjuna Sagar Project.

There was no inflow into the Nagarjuna Sagar Project even as the State government ordered the authorities to release water on July 4.

But they stopped releasing it exactly a fortnight later after the level of water in the reservoir touched 510 feet, the minimum draw down level (MDDL).

Krishna delta farmers, who were encouraged by the release of water and some moderate monsoon activity over the district, went ahead with transplantation.

Deputy Director of Agriculture, Balu Nayak, told *The Hindu* that the farmers need not panic as there was enough water available in the delta to last for the next two weeks.

He said farmers had gone ahead and transplanted paddy in 32,124 acres (13,000 hectares) in Kankipadu, Pedaparupudi, Pamidimakkala, Pamarru, Movva, Challapalli, Bantumilli, Mandavalli, Mudinepalli, Pedana, and Gudlavalleru mandals of Krishna district.

The irrigation authorities had to stop release of water from the Nagarjuna Sagar Project as the water touched 510 feet. There is 130 tmcft in the reservoir even below the MDDL and the dead storage level of the dam is 496 feet.

Precarious

Water levels in big reservoirs on the Krishna, namely, Almatti, Tungadhada, and Srisailem, are still precariously low and there is little likelihood of Karnataka releasing water to reservoirs downstream in the next couple of weeks.

While 100 tmcft is required to fill Almatti, the current inflow into the reservoir is about 5,000 cusecs. Similarly, 88 tmcft is required for Tungadhada, and the current inflow into the reservoir is just 4,000 cusecs. Likewise, 216 tmcft is required to fill Srisailem, and there is no inflow recorded.

The farmers will be lucky if there is a depression in the Bay and rainfall in Krishna delta.

• *Farmers need not panic as there is water that will last for next two weeks, says official*

· *Farmers have gone ahead and transplanted paddy in 32,124 acres in district*

Published: July 18, 2012 14:55 IST | Updated: July 18, 2012 14:55 IST

UDF moots law on paddy land conservation

Special Correspondent

The United Democratic Front (UDF) high-power committee on Tuesday recommended a comprehensive law to plug all loopholes in the Kerala Conservation of Paddy Land and Wetland Act, 2008. The Cabinet decision to regularise all conversion of paddy land prior to 2005 will be put on hold.

The UDF apparently took the decision in view of the High Court judgment of January 18 which made it clear that retrospective effect could not be given to the 2008 Act. The High Court judgment had created some confusion, mainly because there were several cases related to sanction for conversion of land for residential purposes under the 2005 and 2008 laws.

The UDF meeting came to the conclusion that there were several loopholes in the 2008 Act that had put limits on small conversions but permitted large-scale conversion of land. Explaining the core of the decision, UDF convener P.P. Thankachan said that large tracts of land were converted using the loopholes in the 2008 Act, but those who had utilised paddy land for residential purposes were left high and dry because on record it was paddy land. It is in this context that the UDF has recommended a comprehensive law that would address all these issues, even while upholding the basic policy perspective of conservation of paddy and wetland. "If necessary, we would consider bringing in an ordinance," he said.

With regard to the Nelliampathy estate takeover, the committee asked its subcommittee to visit the area at the earliest for a hands-on evaluation of the situation, conduct hearings of farmers and farm workers, and submit its report within a month in time for the next meeting of the UDF. The subcommittee, headed by M.M. Hassan of the Congress, could not undertake its task owing to the Assembly session. Another round of discussion would be held on the basis of the report. The meeting imposed a ban on public statements on the issue till the matter is sorted out by the coalition leadership. Mr. Thankachan maintained that the Nelliampathy estate takeover was a legal issue. Even after the UDF subcommittee submits its report, the government may

take the final call on the status of the land owing to the legal ramification related to expiry of lease period and violation of lease terms by the estate owners.

Government Chief Whip P C George, who had refused to be part of the subcommittee at the time when it was set up, has now been included on it on the basis of the unanimous opinion that he should be on it.

COIMBATORE, July 19, 2012

Cultivation area shrinks as monsoon plays truant

KARTHIK MADHAVAN

Farmers asked to go in for cultivation of maize and pulses



Alarming situation: Southwest monsoon's poor show has affected millet cultivation in Coimbatore.- File Photo: M. GOVARTHAN

A deficit monsoon helps sprout too many news. The latest germination is from the Agriculture Department. Sources there say that the shortfall in rains this season has brought down the area of cultivation by nearly 3,900 ha in Coimbatore district.

By June-July, the district ought to have seen cultivation in a little over 11,500 ha but has thus far seen cultivation in only around 7,800 ha. Most affected is the millet cultivation area.

The sources say that paddy cultivation is the least affected because farmers take up cultivation only in assured irrigation areas – places where canal irrigation system ensures water supply - in Anamalai and Thondamuthur.

Worst hit

The worst affected areas are Sultanpet, Karamadai, S.S. Kulam, Annur, Kinathukadavu and parts of Pollachi and Periyanaickenpalayam. These areas and other parts of the district, this year, have received only 102.5 mm rain as against the average rainfall 232.5 m.

This works out to minus 56 per cent of the average and minus 72 per cent of last year's 368.8 mm.

The sources say the Agriculture Department is opting for Plan B to negate the impact of shortage of rain by going in for maize and pulses (Bengal gram and green gram).

It has asked the Agriculture Extension Officers to sensitise the farmers to go in for the aforementioned crops and not take up cultivation of conventional ones.

By doing so, the Department wants to meet the target the Agriculture Production Commissioner has given – to produce 120 lakh metric tonnes food grains for the year for the State.

In this regard, Agriculture Secretary Sandeep Saxena had, a couple of days ago, held meetings through video conference with the officials, the sources point out.

The sources add that the Department, in order to mitigate farmers' woes, is also promoting integrated farming and micro irrigation. In integrated farming, the farmers also take up poultry, sericulture and a few other allied activities so that the loss of income is compensated by additional revenue.

CUDDALORE, July 19, 2012

Horticulture Commissioner visits cyclone-hit cashew groves

Commissioner of Horticulture and Plantation Crops Santhosh Babu held a review meeting with the officials here today to ascertain the rehabilitation works being carried out in cyclone Thane-affected farms.

The officials in charge of Cuddalore and Villupuram districts gave an elaborate account to the Commissioner on the steps taken for removing the uprooted trees, and how the affected lands were being readied for raising fresh crops.

District Collector Rajendra Ratnoo and Additional Collector K. Veera Raghava Rao, who is the Project Officer, Project (Thane) Management Unit, Deputy Directors of Horticulture Rajendran and Raju were present on the occasion.

Later, the Commissioner visited the cashew groves of Kuppusamy and Venkatachalam at Meliruppu in Panruti block.

The farmers had removed all the fallen trees and had kept the lands ready for re-cultivation of cashew crop.

On the occasion, the officials told the gathering of farmers about the benefits of community wells which are to be sunk.

They also elaborated on the drip irrigation prospects, and also how the planting ought to be done.

District Revenue Officer Rajendran, Personal Assistant to Collector (Agriculture) Asokan, Executive Engineer of Agriculture Engineering Department Ravindra and others accompanied the Commissioner.

EDAPADI, (SALEM), July 19, 2012

Farmers want adequate compensation

S.P. SARAVANAN



The farmers of Salem district have urged the Union and State governments to provide them 'adequate' compensation since they fear that farming activities would come to a standstill in their lands once the Gas Authority of India Limited (GAIL) completes the ambitious Kochin – Bangalore natural gas pipeline project.

Two taluks

Of the 310-km-long underground pipeline that pass through the districts of Coimbatore, Tirupur, Erode, Salem and Krishnagiri, as many as 70 km of pipeline traverses through 28 villages in Salem district, mainly through Sankagiri and Omalur taluks.

The 30-inch gas pipeline will be laid at a depth of 5 feet. GAIL would disperse 10 per cent of the land value to the land owners as compensation, which farmers claim, is grossly inadequate.

Regulations

Though farmers do not oppose it, the stringent regulations by GAIL, they told *The Hindu*, would affect agriculture totally.

“The conditions are that irrigation wells should not be dug and trees should not be planted in the area where pipelines would be laid. The compensation announced is also meagre as the land value, fixed two decades back, has been taken into account,” the farmers claimed.

They also worry that their crops would suffer ‘recurrent disruptions’ since the pipeline maintenance works would be carried out every four years for which there also is no provision for any special compensation.

The farmers insist that the gas pipeline be laid along the highways so that agriculture lands could be spared.

Notice

People in many villages in these two taluks have already been served with notices for Right of Way (ROW) for acquiring the land under the Petroleum and Mineral Pipeline (Acquisition of Right of Users in Land Act) 1962 and the process of acquiring lands are on.

But senior officials in GAIL, however, claimed that the laying of pipeline had temporary been stopped as a “few farmers have obtained stay.”

ERODE, July 19, 2012

Turmeric procurement price not adequate: farmers

S. RAMESH

The government's announcement extending the deadline for turmeric procurement till the end of July did not come as a happy news to the farmers in Erode district.

Market price

The government said that it would procure turmeric from farmers at the rate of Rs. 4,000 a quintal till July 30. But the prices of good quality turmeric in the open market hover around Rs. 5,000 to Rs. 5,500.

No one will be interested in selling their turmeric for Rs. 4,000 when they can get Rs. 5,000 plus in the open market.

It appears that the government has failed to take note of the current prices of the turmeric before extending the deadline, farmers here say.

The government first announced the initiative of turmeric procurement in the beginning of June and stated that the process would be carried out till June 30.

But it could not commence the procurement immediately following the delay in framing guidelines.

The procurement commenced on the evening of July 28, leaving just two days for the farmers to bring in their produce.

As a result, none of the farmers sold their yellow spice to the government in June.

They appealed to the government to extend the deadline for the procurement and increase the price to Rs. 7,000, besides allowing a farming family to sell at least 100 quintals.

Failure

“But the government has failed to increase the price while extending the deadline. The farmers are not ready to sell the spice to the government as the open market offers a far better price. Farmers spend Rs. 8,000 to produce a quintal of turmeric.

The government's minimum support price of Rs. 4,000 a quintal is not very supportive to the farming community,” says district secretary of Turmeric Farmers Association T. Subbu.

Many farmers also expect that the price of the spice will increase in the near future as the acreage under turmeric cultivation has declined in the country. The demand is likely to increase as the turmeric production in the next year will be very low, farmers point out.

NAGAPATTINAM, July 19, 2012

Livestock protection scheme launched

The State government has launched the Livestock Protection Scheme in all districts. As per the scheme, 5,500 livestock protection medical camps will be conducted at all villages in the State, at a cost of Rs.23 lakh. The scheme was launched here at Paalayur village on Monday, and over a few hundred livestock and poultry were brought in for treatment. Vaccination, deworming, castration, artificial insemination of livestock, vaccination for poultry was provided. Livestock owners were counselled on best practices in animal husbandry. Earlier, a rally of calves was held and 10 healthy calves were selected and prizes were distributed. The camp was inaugurated by Collector T.Munusamy. Joint Director, Animal Husbandry, G.Prithviraj, was present.

TUTICORIN, July 19, 2012

Farmers have no way to reach their lands

Farmers are concerned over the hindered pathway to the cultivable lands at Ettayapuram and are left clueless about a suitable solution to the issue.

As many as 40 farmers, who relied on rainfed cultivation for 85 acres of land at Ettayapuram, could not access their farmlands to earn their livelihood.

The aggrieved farmers could find no way to reach their land due to the emergence of National Thermal Power Grid Corporation of India Limited in the vicinity of the cultivable lands, Duraisamy, one of the affected farmers, said.

Forty farmers had been undertaking farming operations for more than 45 years on the 85-acre land earmarked under survey numbers – 606/1. But the upcoming new power grid company on the eastern side of the cultivable lands has left the farmers with no alternative.

The sub station of the company was being established on 117 acres of land with survey numbers – 606/2, he said. It was only through this pathway, the farmers' lands could be accessed. Works were on to fence the boundaries of the company's lands and authorities should ponder over the grave concerns of farmers whose pathway was getting blocked by this move. The company must extend help to provide a 20-foot pathway to enable the farmers access their farm lands, he said.

A resolution was also adopted at Mela Eral panchayat seeking the intervention of Revenue Divisional Officer, Kovilpatti, for initiating necessary steps to gain the pathway. Even after submitting petition to the Revenue Divisional Officer on December 19, 2011 to sort out the issue, no action had been taken.

The problem was also brought to the attention of authorities at farmers' grievance redressal meeting convened in Tuticorin last month, he added.

When contacted G. Ponnaiyan Selvan, RDO, Kovilpatti, said the farmers had used the land earlier to access their farmlands.

But now, since it has been acquired by the National Thermal Power Grid Corporation of India Limited, the authorities have ruled out possibilities of allowing access through their land citing safety measures when the farmers' issue was taken to their notice.

Retail inflation marginally down at 10.02% in June

Retail inflation declined marginally to 10.02% in June mainly due to lower prices of sugar and non-alcoholic beverages. Retail inflation, based on Consumer Price Index (CPI), was at 10.36% in May. "Decline in retail inflation for urban areas in June 2012 as compared to May 2012 is attributed to higher base of the Housing Group index," Minister of State (Independent charge) for Statistics and Programme Implementation Srikant Kumar Jena said.

Provisional annual inflation of June 2012 for rural, urban and combined in respect of 'food and beverages' are 10.41%, 11.52% and 10.71% respectively, he said.

However certain food items like vegetables turned costlier by 27.60%, followed by edible oils (16.58%) and milk products (12.75%) in June on annual basis.

Prices of egg, fish and meat shot up by 11.65%, while pulses became costlier by 9.34%.

The decline in CPI along with wholesale price index (WPI) based inflation has raised some hope of rate cut by the Reserve Bank later this month to promote growth.

For June, WPI-based inflation dropped to 7.25% from 7.55% with easing prices of manufactured goods.

However experts said CPI numbers are still at elevated levels. They are in double digits which will dissuade RBI from cutting interest rate in policy review on July 31, they said.

<http://www.hindustantimes.com/StoryPage/Print/891124.aspx>

First Published: 00:13 IST(17/7/2012)

Last Updated: 01:38 IST(17/7/2012)

Monsoon worry mounts, food prices rise sharply

Despite a pickup in rainfall last week, the southwest monsoon remains in deficit by a significant 22%, almost certainly lowering annual production of grains, pulses and oilseeds, the three crops where sowing has been worst hit. The Met office's estimate coincided with the release of food inflation data that showed a worrying 10.81% rise in June from a year earlier, up from a 10.74% rise in May, an increase driven largely by weak rainfall and the absence of pre-monsoon showers in large parts of the country.

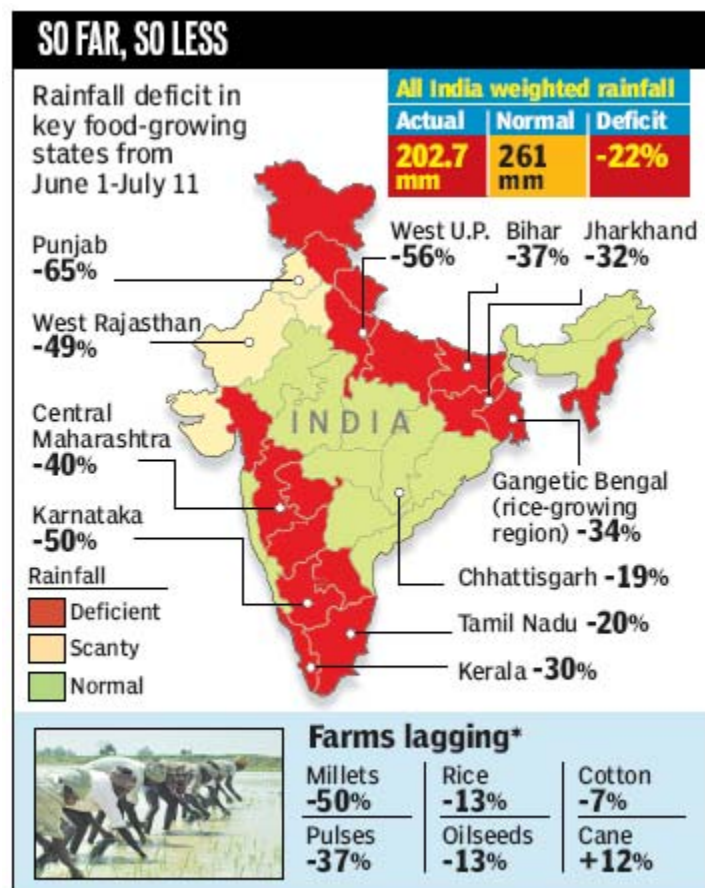
Key central Indian states received normal rains for the first time last week, reducing the overall deficit between July 12 and July 15 by 1 percentage point, but showers were patchy.

None of the states has so far asked the Centre to declare a drought but Maharashtra (40% deficient) and Karnataka (50%) are the worst hit and are key crop-growing areas.

Agriculture minister Sharad Pawar acknowledged the problems the sector faced, and outlined some fire-fighting measures.

"This year it will be really a challenge to maintain the excellent performance of the last two years," he said, adding that the government had enough late-sown seeds to give to states that needed them, and that seeds for winter-sown pulses would have to be sent early to make up for the summer shortfall.

The deficient sowing is likely to result in a large dent in India's coarse cereal or millet output, which could push up prices



*Sowing-area deficit compared to normal/Source: Met Dept; agriculture ministry

of manufactured food products, such as biscuits.

The rains are critical as 70% of Indians depend on farm income. The monsoon replenishes 81 nationally monitored reservoirs, whose available water stands at 60% of last year's level.

From being negative briefly in January, food inflation -- which has been the hardest to control - has remained in the double digits since March. Monday's data showed potato prices rose the sharpest (75%) in June, followed by other vegetables (48%) and pulses (20%).

<http://www.hindustantimes.com/StoryPage/Print/890195.aspx>

weather

Chennai - INDIA

Today's Weather



Cloudy

Thursday, Jul 19

Max Min

32.1° | 26.5°

Rain: 00 mm in 24hrs

Humidity: 62%

Wind: Normal

Sunrise: 5:45

Sunset: 18:39

Barometer: 993

Tomorrow's Forecast



Rainy

Friday, Jul 20

Max Min

35° | 28°

Extended Forecast for a week

Saturday Jul 21	Sunday Jul 22	Monday Jul 23	Tuesday Jul 24	Wednesday Jul 25
32° 26°	34° 27°	33° 27°	33° 27°	34° 27°
Rainy	Rainy	Rainy	Rainy	Rainy

19 JUL, 2012, 09.57AM IST, BLOOMBERG

Corn may climb to record \$8.50 due to drought

SINGAPORE: Corn may rally to a record \$8.50 a bushel as the worst US drought in decades cuts production in the world's biggest exporter, driving global stockpiles lower, according to broker Newedge USA. The US harvest may drop to 11.8 billion bushels (299.7 million metric tonne), said Dan Cekander, director of grain research, who correctly predicted in March that soya bean would trade at the most expensive level relative to corn since 2010.

Cekander's output forecast is 29.75 million tonne less than the latest estimate from the US Department of Agriculture, and would be the smallest crop since 2006-2007. Futures traded as high as \$7.89 on Tuesday, near the \$7.9925 record set in 2008. The drought is baking farms from Arkansas to Ohio, reducing yields, after frosts followed by drought cut wheat harvests in the former Soviet Union, prompting the United Nations and the USDA to pare estimates for world grain harvests.

Dimming corn-crop prospects in the US may push global food costs higher, the Food & Agriculture Organization said earlier this month. Corn for December delivery fell 0.8% to \$7.6475 on the Chicago Board of Trade at 1:49 pm in London.

18 JUL, 2012, 03.11PM IST, REUTERS

India chana up on festive demand, thin supply

MUMBAI: Indian chana futures rose due to strong local demand ahead of the festive season amid slack supplies in the local market and lower stocks.

Slow progress of summer-sown pulses due to less rainfall also supported the upside. Chana is a winter crop sown from October to December.

The most-active chana for August delivery on the National Commodity and Derivatives Exchange (NCDEX) rose 1.19 percent to 4,758 rupees at 0920 GMT.

Fresh buying will gain pace at lower levels, supported by festival demand, Kotak Commodities said in a research note on Wednesday.

In the Delhi spot market, chana rose 45 rupees to 4,810 rupees per 100 kg.

Chowda Reddy, a senior analyst with JRG Wealth Management in Hyderabad, expects the most-active August contract to touch 4,850 rupees in the short term.

Demand for chana usually rises during the rainy season due to less availability of fresh vegetables and the festive season that begins in August.

18 JUL, 2012, 03.03PM IST, REUTERS

India soybean steady; soyoil edges up on demand

MUMBAI: Indian soybean futures were nearly flat on Wednesday as concerns over the production due to uneven rainfall in growing regions outweighed a drop in the overseas market.

Soyoil and rapeseed were trading higher on good demand in spot market and weak rupee.

"Weather remains a concern. Soybean sowing is lower than last year. If rainfall remains patchy, yields will get affected," said an analyst at Karvy Comtrade.

Indian farmers have cultivated soybean on 5.45 million hectares as on July 13, compared with 6.73 million hectares during the same time a year ago, farm ministry data showed.

Malaysian palm oil futures fell 1.4 percent to 3,019 ringgit per tonne by 0815 GMT, while U.S. soybean edged down 0.26 percent to \$16.34-3/4 per bushel.

The August soybean contract on India's National Commodity and Derivatives Exchange (NCDEX) was up 0.1 percent at 4,630.5 rupees per 100 kg, after hitting a record high of 4,754 rupees earlier this week.

Soybean futures were getting support from firm export demand for India soymeal and an estimated drop in the U.S. soybean crop due to drought, the Karvy analyst said.

The drought in United States has hit the soybean crop, which was rated 34 percent good-to-excellent by the USDA in its report on Monday, down 6 percentage points from the previous week and one point below estimates for 35 percent.

India's soymeal exports rose to 180,987 tonnes in June, from 117,600 tonnes the same period a year ago, the Solvent Extractors' Association of India said earlier this month.

The August soyoil contract rose 0.21 percent to 797.1 rupees per 10 kg, while rapeseed edged up 0.3 percent to 4,298 rupees per 100 kg, after hitting a record peak of 4,379 on Monday.

India's NCDEX said on Monday it will increase special margin on long positions of soybean and rapeseed futures from Wednesday.

In the Indore spot market in Madhya Pradesh, soyoil was up 0.9 rupee at 786.95 rupees per 10 kg, while soybean climbed 30 rupees to 4,619 rupees per 100 kg. At Sri Ganganagar in Rajasthan, rapeseed rose 38 rupees to 4,238 per 100 kg.

18 JUL, 2012, 02.21PM IST, PTI

Turmeric futures up on deficient rains

NEW DELHI: Turmeric prices gained Rs 38 to Rs 5,468 per quintal in futures market today as speculators enlarged their positions, triggered by low sowing due to deficient rains in key growing regions.

Market experts said slow progress of the monsoon, which may hit sowing operations and crop output this year, mainly improved the turmeric prices.

At the National Commodity and Derivatives Exchange, turmeric for delivery in September rose by Rs 38, or 0.70 per cent, to Rs 5,468 per quintal, with an open interest of 11,470 lots.

Similarly, the spice for delivery in August gained Rs 32, or 0.61 per cent, to Rs 5,310 per quintal in 19,740 lots.

Business Standard

Thursday, Jul 19, 2012

Oilseed sowing lags last year's pace

Anindita Dey / Mumbai July 19, 2012, 0:30 IST

Oilseed sowing in the country has covered about 45 per cent of the area usually covered, as

on date, according to official sources.

Of the estimated total sowing area of 17.7 million hectares for kharif oil seeds (groundnut, soybean, sesame, sunflower, niger and castor), various state reports on this have aggregated to 7.5-8 million hectares . At the same time last year, sowing had covered about 55 per cent of the estimated total area. It recovered in the later part of August.

Officials say overall edible oilseed production might still not suffer much, as there is a contingency plan to sow sesame and castor, grown towards August, in addition to pulses. Mid-July is the peak season for castor sowing.

For Gujarat, which accounts for the major part of groundnut production, 25 per cent sowing has happened, of 400,000 hectares against 650,000 hectares at this time last year. However, state government officials are hopeful of another 10 per cent being added by the end of this week. They say Saurashtra, the main region for groundnut production, is witnessing good rainfall this week.

Maharashtra, on the other hand, a major grower of soybean, in addition to Madhya Pradesh, has seen more sowing this year compared to last year at this period, 97 per cent to 78 per cent of the area. However, officials add that if rainfall does not take place for another 10-15 days, then re-sowing will take place and farmers could then opt for other crops. The moisture content at many places is yet to firm up for the final cropping.

However, Rajasthan has reported severe shortfall in sowing across all edible oilseeds, except groundnut. Of the target area of 315,000 hectares for groundnut, sowing has been completed only in 215,000 hectares. In other crops such as sesame, soybean and castor seed, sowing lags. Of the total target area, sowing has been completed only 13 per cent in soybean and three per cent in sesame. Officials say for castor seed and sesame, the peak season for sowing is mid-July to August and is thus expected to improve over the next month.

Andhra Pradesh has received delayed rainfall and sowing is slowly picking up, officials said.

A positive point is international prices of crude palm oil, imported in large quantities by India, has stayed at 3,086-3,134 ringitt per tonne.

Govt softens stand on levy sugar carryover

Ajay Modi / New Delhi July 19, 2012, 0:29 IST

The government has softened its stand on the carry-over period of levy sugar that is not lifted. It told the Patna High Court that a minimum carry-over of six months is required at the start of every new sugar season to meet levy sugar demand. At present, the government can carry forward unlifted levy sugar for a maximum period of two years.

Levy sugar is the portion of total sugar production that mills are required to sell the government at a fixed price every year for the public distribution system (PDS). At present, sugar mills have to sell 10 per cent of their produce at Rs 1,900 per quintal under the levy obligation. This is compared to the open market price of Rs 3,200 per quintal.

The food ministry told the court in a supplementary affidavit filed recently: "A minimum of six months' time from the close of a sugar season is required to safely meet the requirements before the data about the sugar production of the succeeding year is formally available." The court is scheduled to hear the case on July 27.

The food ministry received a setback earlier this year after the Patna High Court order directed the government to use all unlifted levy sugar obligation by mid-April and held that levy sugar of one season should not be carried to the next. The government, however, could not lift the carry-over sugar that stood at two million tonnes (mt). At 10 per cent of produce, another 2.6 mt levy sugar is available during the current sugar season (October-September).

The food ministry, through the Directorate of Sugar, filed a review petition at the division bench of the court. However, no stay was granted on the January order. Consequently, several companies declined to offer the government levy sugar from the previous sugar season that ended in September 2011.

Upset with the fallout, the directorate warned such companies of the ill-effects. In a letter to Vishnu Sugar in June, the food ministry said not delivering levy sugar following the court order amounts to "indulging in guerrilla warfare tactics and is not in the interests of the industry as well as the PDS system in the country and not in the interests of maintaining a healthy relationship between the industry and the government of India".

While mills are required to sell 10 per cent as levy every year, study of past data shows the government had failed to lift even half of its levy entitlement.

Jeera gains 1.53% on low sowing

Speculators build-up positions, triggered by reports that slow progress of monsoon may hit sowing operations and crop output

Press Trust of India / New Delhi July 18, 2012, 15:07 IST

Jeera prices rose by Rs 232.50 to Rs 15,450 per quintal in futures trade today as speculators built-up positions, triggered by reports that slow progress of the monsoon may hit sowing operations and crop output.

At the National Commodity and Derivatives Exchange, the July contract for jeera surged by Rs 232.50, or 1.53%, to Rs 15,450 per quintal, with an open interest of 84 lots.

The August contract jumped up by Rs 187.50, or 1.20%, to Rs 15,817.50 per quintal, with an open interest of 17,700 lots.

Marketmen said besides pick up in spot market demand, slow progress of the monsoon, which could hit sowing operations and crop output also influenced jeera prices at futures trade.

Mentha oil extends gains on rising demand

Rising demand, low supply help prices move upward

Press Trust of India / New Delhi July 18, 2012, 12:33 IST



Mentha oil rose for the third day in a row by adding Rs 15.30 to Rs 1,351.70 per kg in futures trade today on rising demand from pharmaceutical units.

Tight stocks position following restricted arrivals from Chandousi in Uttar Pradesh also

supported the uptrend in mentha oil prices at futures market.

At the Multi Commodity Exchange, the July contract for mentha oil gained Rs 15.30, or 1.14%, to Rs 1,351.70 per kg, with a business turnover of 321 lots.

The August contract gained Rs 13.40, or 0.98%, to Rs 1,374.50 per kg, with a business turnover of 102 lots.

Marketmen said besides rising demand from pharmaceutical industries in the spot market, tight supplies from Chandausi in Uttar Pradesh mainly helped mentha oil prices to maintain an upward march at futures trade.

THE BHARATI Business Line

Barley futures to rule higher



Business Line Profit-booking may lead to occasional dip in prices.

Mumbai, July 19:

Barley futures on MCX may trade on the higher side due to dwindling arrivals in the spot market.

However, profit booking may lead to occasional dip in prices.

The poor rainfall is unlikely to have immediate impact on barley output as it is a rabi crop. However, the below normal rainfall will lower ground water availability and hit crop prospects next season.

Prices are expected to remain firm till September.

High input costs may push up poultry feed prices

Our Correspondent



Karnal, July 18:

With the prices of soyameal and other key ingredients rising, prices of poultry feed products may become dearer by the end of this week.

Lower supply and concern over crop output may led poultry feed products further up by at-least Rs 100 for a 30 kg and 50 kg bag by the end of this week, said Mr Subhash Sharma, Financial Head, Sarvottam Poultry Feed Supply Centre Pvt Ltd. Delay in sowing because of low rainfall has pushed the soya prices upwards. Sowing has got delayed by almost by one month he added.

Soyameal has rallied and prices have increased by Rs 1,100-1,150 a quintal over the last one month. Market experts expect that it may touch the Rs 5,000 mark in coming weeks, said Mr Subhash. On Wednesday, soyameal prices increased by Rs 400 and quoted at around Rs 4,300 a quintal. Similarly, maize prices went up by Rs 80 to Rs 1,350 a quintal.

Bajra increased by Rs 90 and settled at Rs 1,200 a quintal, DCP went up by Rs 5 and quoted at Rs 41 a kg, while fish oil sold at Rs 85 a litre, Rs 3 up from previous level.

Poultry feed products

After a price rise last week, prices of poultry feed products have been kept unchanged since then. Broiler concentrates feed quoted at Rs 1,830 for a 50kg bag.

Broiler Starter Mash sold at Rs 1,350 for a 50 kg bag.

“Broiler Pre-Starter Concentrate 30 per cent” sold at Rs 1,540 for a 30 kg bag, while layer concentrate cost Rs 1,390 for a 50 kg bag.

Pre-lay mash quoted at Rs 900 while broiler finisher sold at Rs 1,330 for a 50 kg bag.

Meanwhile, slack demand pulled egg, broiler and chick prices further down, on Wednesday.

Broiler quoted at Rs 85-90 a kg against Rs 95 last week.

The price of an egg went down by 11 paise and cost at Rs 2.54, while chick went down by Rs 7 and sold at Rs 15.

Edible oil declines on weak demand



Mumbai, July 18:

Edible oils prices declined on Wednesday, on absence of fresh local demand and tracking extended loss in Malaysian palm oil futures. Formation of cloudy weather in producing centers increase pressure on indigenous oils while weaker exports and better palm oil production outlook in Malaysia weigh on imported edible oils. Moral was weak as there were more sellers and few buyers in the market said leading broker Mr. Dinesh Bhnushali of Riddhi broker.

Groundnut oil and Rapeseed oil decline by Rs.5 each, cotton refined oil drop by Rs.4. Imported palmolein lose by Rs.5 and Soya refined oil eased by Rs.2 for 10 kgs. Volume was thin and isolated as traders keep away from fresh bet. Malaysian BMD CPO futures closed lower by 72, 74 and 68 ringgits a ton as traders booked profits on weaker exports and better production outlook. Malaysia's July 1-15 palm oil exports tumbled more than 20 percent from a month ago at a time when stronger production is expected for the month. Slower exports and higher output could see palm oil stocks climb again after falling to a 14-month low in June.

Analyst said, some traders kept a bullish outlook as the US drought that damaged soybean crops could still shift demand to refined palm oil. The market just doesn't have enough push to go up further at the moment. But it won't be going down much also because of the wide spread between soybean oil and palm oil. Global traders are watching the weather damage on US crops as the worst drought since 1956 could trigger a serious shortage of oilseeds and vegetable oils, boosting prices and stirring food-driven inflation.

Domestic level fear of Indian Government may consider imposing stockholding limits on various agri-commodities to curb rising prices has arrested bullish sentiment of the market. Further centre may also review the export policy on agri-commodities in August by which time there will be a clearer picture on the monsoons. The prices of pulses, sugar, edible oil and food grains have firmed up in recent weeks on concerns over tight global supplies and fears of a deficient monsoon impacting domestic output this year.

According to Riddhi broker tracking weak sentiment and need based isolated local demand activities remain subdued. During the day merely 100 -150 tones of Palmolein was resale traded at Rs.611. End of the day Liberty was quoting Palmolein at Rs.621-623, Super palmolein Rs.670, Soya oil Rs.763 and Sunflower refined oil Rs.763.

Ruchi quoted palmolein at Rs 614 – 618 for July and Rs.621 for 10th August onwards. Soya refined oil Rs.755 for July and Rs 758 – Rs.761 for August. Sunflower refined oil at Rs 755 for

July and Rs.758-Rs.761 for August. Allana's rate for Palmolein was Rs.615 for 1-10 August. Bunge's rate was Rs.613 for July and Vaibhavi quoted palmolein Rs.612.

In Saurashtra - Rajkot groundnut oil decline by Rs.40 to Rs.1850 (Rs 1,890) for Tolia tin and drop Rs.10 to Rs 1,220 (Rs 1,230) for loose - 10kgs.

Malaysia's crude palm oil August contracts settled higher at MYR 2,970 (MYR 3,042), September at MYR 2,982 (MRY 3,056) and October at MYR 2,993 (MYR 3,062) a tone. On National Board of Trade – Indore, Soya refined oil August -12 futures closed lower at Rs.795.30 (Rs.797.00) while September -12 was up at Rs.803.00 (Rs.801.00).

The Bombay Commodity Exchange spot rates were (Rs/10 kg): groundnut oil 1,190 (1,195), soya refined oil 755 (757), sunflower exp. ref. 700 (700), sunflower ref. 760 (760), rapeseed ref. oil 875 (880), rapeseed expeller ref. 845 (850) cotton ref. oil 745 (749) and palmolein 613 (618).

Moong touches new high on sowing delay

Our Correspondent



Indore, July 18:

Moong which had been ruling steady for the past some time on subdued buying support in the past two to three days soared to a new high on improved buying support and weak arrival.

Driven by higher demand, scarce arrival and delay in sowing of the next moong crop almost by a month due to a weak monsoon, moong (best) prices in the past one week have almost gone up by Rs 500 a quintal to Rs 4,900 a quintal, while moong (medium) ruled at Rs 4,000-4,200.

According to Mr Prakash Vora, a wholesale pulse trader, delayed sowing and fear of damage to new standing crops on account of deficient rains have primarily added to the bullish sentiment in moong. If rains continue to elude in the next week, the standing crop in all likelihood would suffer damage then prices would further scale a new high in the coming days, said Mr Vora.

Rise in spot moong also pushed up its dal with moong dal (medium) moving up to Rs 6,100-6,200 a quintal (Rs 5,900-6,000), moong dal (bold) ruled at Rs 6,700 a quintal (Rs 6,400-6,500), while moong monger perked up to Rs 6,300-6,500 a quintal (Rs 6,000-6,300).

Driven by higher demand, moong dal in the past one week has also gone up by Rs 500 a quintal. The bullish trend also continued in tur on fear of lower crop output this year due to delayed monsoon. Backed by strong buying support and weak monsoon, tur prices in the past one week has gone up by almost Rs 450 a quintal.

In the spot, tur (white) on Wednesday ruled at Rs 4,700 a quintal, while tur (red) ruled at Rs 4,500, tur (lemon) on the other hand was quoted at Rs 4,300 a quintal, while tur (Indore variety) ruled at Rs 3,800-4,000 a quintal.

Buying support and rise in prices of spot tur also perked up tur dal in the past one week by Rs 200 a quintal with tur dal (full) being quoted at Rs 6,300 a quintal, tur dal (sawa no.) at Rs 5,500-Rs 5,600, while tur marka ruled at Rs 7,100 a quintal.

With prospective decline in tur output this year because of decline in cultivable area, tur farmers are turning towards other cash crops such as soybean and gwar and future of tur appears to be bullish.

According to traders, with lower cultivable area, production of tur in the country is estimated to be around 20 lakh tonnes against 22 lakh tonnes last year. This is expected to fetch them better prices. With lower carryover stock of around 1-2 lakh tonnes this year, dependency on imported tur will increase, thereby adding to the bullish sentiment in tur in the coming days, said Mr Vora.

Spot rubber slips on buyer resistance



Kottayam, July 18:

Domestic rubber markets ruled weak on Wednesday. In the spot market, prices slipped mainly on buyer resistance following another weak closing on the National Multi Commodity Exchange (NMCE).

Similar declines in the Japanese futures and the absence of positive factors to stimulate the sentiments kept the market under pressure on late trading hours.

Sheet rubber surrendered to Rs 184 (185) a kg at Kottayam and Kochi, according to Traders and the Rubber Board. The trend was partially mixed.

The August series slipped to Rs 180.38 (181..31), September to Rs 179.47 (180.78), October to Rs 178.60 (179.86) and November at Rs 178 (180.40) a kg for RSS 4, while the most distant months remained inactive on the NMCE.

RSS 3 (spot) firmed up to Rs 173.75 (172.70) a kg at Bangkok. The July futures dropped to ₹234.5 (Rs 164.51) from ₹238.6 during the day session but then recovered partially to ₹236.1 (Rs 165.68) in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 184 (185); RSS-5: 178 (179); ungraded: 173 (173.50); ISNR 20: 178 (179) and latex 60 per cent: 131 (131).

Sugar turns sour on slack demand



Mumbai, July 18:

Sugar prices at mill level continued to remain firm while on Vashi spot market and naka level it saw a bearish trend on Wednesday. Maharashtra's mills sold sugar at Rs 20 a quintal higher despite an ease in demand. After sharp rise of Rs 350-400 in the last 15 days, sugar declined, due to profit booking, by Rs 10-20 in naka rates. In physical market eased local demand in middle month pulled down prices by Rs 30-40 a quintal. In first two days this week sugar prices have shot up by Rs 200 and hence stockists preferred to keep away. Volume was routine and morale was cautious on fear of any government steps – intervention to curb price rise.

Mr Jagdish Rawal, a wholesaler, told Business Line, “strong fear of government’s steps any time to curb essential commodities prices and eased local demand in middle of the month have led to profit booking and resale selling pressure over physical market. Hence prices at spot level declined sharply due to lower fresh buying. Sugar prices are ruling at record level along with other essential commodities. On Tuesday, in Vashi market M-grade prices touched a new high of Rs 3,511”.

In Vashi market, arrivals were 53-54 truck loads and local dispatches were lower at 49-50 truck loads. On Tuesday, only 15-16 mills offered tender and sold 45,000 – 50,000 bags (of 100 kg each) to the local traders in the range of Rs 3,220-3,300 (Rs 3,200-3,280) for S-grade and Rs 3,340-3,440 (Rs 3,320-3,400) for M-grade.

Bombay Sugar Merchants Association's spot rates: S-grade Rs 3,352-3,411 (Rs 3,376 -3,411) and M-grade Rs 3,391- 3,471 (Rs 3,430- 3,511).

Naka delivery rates: S-grade Rs 3,340 -3,380 (Rs 3,350 -3,390) and M-grade Rs 3,370-3,430 (Rs 3,390-3,450).

Turmeric rises as stockists lap up arrivals



Erode, July 18:

The price of the spot turmeric increased by Rs 200 per quintal. “The arrival of turmeric increased to 4,800 bags on Wednesday, as usual the stockists alone purchased the turmeric by quoting a higher price. The prices in Erode and Gobichettipalayam Cooperative marketing Societies decreased by Rs 150 a quintal due to quality,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said, "This is the first time in the history of the century-old turmeric market at Erode that the stockists have purchased about 80 per cent of the total arrival. So far 50 lakh bags (each bag is 75-kg) were sold in the market of which more than 35 lakh bags were procured by the stockists."

Some farmers said that because of *Aadi Ammavasai* they brought huge stocks and for the same reason the stockists also purchased 80 per cent of the arrived stocks. The traders said that certainly the prices will go down, so they have not purchased the crop now. At the Erode Turmeric Merchants Association Sales yard, the finger variety was sold at Rs 3,119 to Rs 5,319 a quintal, root variety Rs 3,111 to Rs 5,017 a quintal.

Salem Crop

The finger variety was sold at Rs 4,734 to Rs 6,509 a quintal, root variety Rs 4,611 to Rs 5,369 a quintal. Of the arrival of 877 bags , 453 bags were sold.

At the Regulated Marketing Committee, the finger variety was sold at Rs 5,339 to Rs 5,816 a quintal, root variety Rs 4,460 to Rs 5,096 a quintal. All the 457 bags of turmeric arrived for sales were sold. At the Erode Cooperative Marketing Society, the finger variety fetched Rs 4,859 to Rs 5,797 a quintal. Root variety was quoted at Rs 4,600 to Rs 5,290 a quintal. All the 866 bags of turmeric kept for sales were sold. At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 4,800 to Rs 5,693 a quintal, root variety Rs 4,416 to Rs 5,059 a quintal. About 106 bags kept for sales were sold.

Pepper continues to fall

G. K. Nair



Kochi, July 18:

The pepper market continued its decline on Wednesday on some bearish activities and some selling pressure. All the active contracts ended below the previous day's closing.

Total turnover dropped sharply with 94 per cent of it concentrating in August and 2 and 4 per cent respectively in July and Sep, trade sources said. Open interest increased.

Investors holding farm grade pepper from the plains were selling at Rs 28–30 below the August delivery price. Some 15 tonnes were reportedly traded today.

Some of the processors were buying them selling the August delivery on the exchange platform which they can deliver from August 6 onwards. The sunny weather during this rainy season (southwest monsoon) is favouring the processors, market sources told *Business Line*.

As the prices were ruling high for a long time this year, the major buyers in the main seven centres in North India such as Nagpur, Gwalior, Indore, Ranchi, Delhi, Jaipur etc have not been keeping any inventory for more than three weeks because of the heavy investment involved. Added to this, the end users were buying only hand to mouth to meet their immediate requirement.

Karnataka pepper from Sakleshpur and Chikmagalur was being offered at Rs 415 a kg delivered anywhere in India.

July contract on the NCDEX decreased by Rs 260 to the last traded price (LTP) of Rs 42,570 a quintal. August and September dropped by Rs 185 and Rs 135 respectively to the LTP of Rs 43,205 and Rs 43,550 a quintal.

Turnover

Total turnover fell by 2,321 tonnes to 3,318 tonnes. Total open interest increased by 174 tonnes to 6,153 tonnes.

July open interest declined by 57 tonnes to close at 216 tonnes while that of August and September increased by 196 tonnes and 33 tonnes respectively to close at 5,102 tonnes and 762 tonnes.

Spot prices remained unchanged on limited activities on the spot at Rs 40,100 (ungarbled) and Rs 41,600 (MG 1) a quintal.

Indian parity in the international market was at \$7,925 - \$7,950 a tonne (c&f) Europe and \$8,225 - \$8,250 a tonne (c&f) for the US. “When the exchange quality pepper can fetch this price here, why should the trade think of selling it overseas so cheap”, they asked.

In the overseas market, Brazil quoted B1 at \$6,200 a tonne (fob) Victoria, July/1st half Aug shipment, a report said.

Chana spurts up in spot, futures market

Our Bureau



Chennai, July 18:

Chana (gram) prices increased in the spot and futures market on Wednesday. In the spot market, it almost hit Rs 5,000 a quintal.

Chana, one of the commodities that has risen continuously in the last few weeks, was quoted at Rs 4,990 a quintal in the Indore market. In the futures market, chana for delivery in August was up almost half a per cent at Rs 4,725 a quintal on the National Commodities and Derivatives Exchange.

Lower production this year and a shortage of stocks have driven up chana prices this year.

Prices have also gained because imports have become costlier in view of the decline in the rupee value. The rupee has dropped by over 10 per cent against the dollar since April and on Wednesday it dropped by 10 paise to 55.21 to the dollar.

Maize gains on good demand

Our Bureau



Chennai, July 18:

The spot prices of maize were up by noon on Wednesday. It was quoting at Rs 1,335 a quintal, a gain of Rs 7.

Domestic and export demand pulled up prices for the commodity.

In the domestic market, demand from starch makers and, particularly, the poultry feed sector applied pressure on prices.

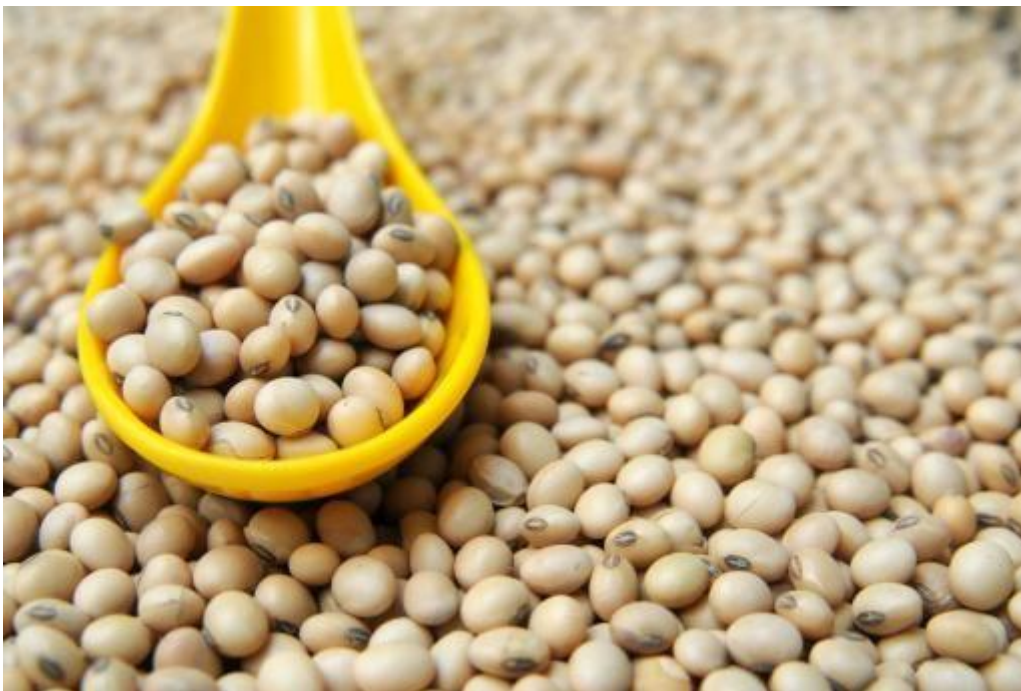
With soyameal prices rallying along with soya oil and soyabean, the poultry feed sector was in the market seeking alternatives for poultry feed.

Globally, the grain complex was rallying on fears the drought in the US would affect the corn and wheat crop there.

Indian corn saw good export demand from both Indonesia and Vietnam.

Soyabean futures sustain rally

Our Bureau



Soyabean has been quoting higher on account of deficient rain in the growing areas.

Chennai, July 18:

Soyabean futures continued to rally on Wednesday. The soyabean August futures moved up over 0.5 per cent to quote at Rs 4,681 in the morning session as against Rs 4,626 at close of trading on Tuesday. The rally has been put down to poor rain in the growing areas.

In the global market, soya complex has been rising on drought affecting the US crop. As a result, soyabean oil and soyameal are also quoting higher.

Retail inflation falls to 10.02% in June

K. R. Srivats



Business Line With retail inflation continuing at double-digit levels, the RBI is unlikely to cut policy rates on July 31, say economy watchers.

New Delhi, July 18:

June retail inflation came in at 10.02 per cent, lower than the 10.36 per cent (final) recorded in the previous month.

With retail inflation, as measured by all-India general consumer price index, continuing at double-digit levels, the RBI is unlikely to cut policy rates on July 31, say economy watchers.

The provisional inflation rates for rural and urban areas for June 2012 are 9.74 per cent and 10.44 per cent, respectively, the Central Statistics Office announced today.

Inflation rates (final) for rural and urban areas for May 2012 are 9.57 per cent and 11.52 per cent, respectively.

Basmati exports rise to record 3.21 m.t. in 2011-12

Vishwanath Kulkarni



RISING EXPORTS

	Quantity*	Value#
2011-12	3.21	15450
2010-11	2.18	10,578
2009-10	2.01	10,889
2008-09	1.55	9,447

*-in million tonnes #-in Rs crore

New Delhi, July 18:

Basmati exports surged 45 per cent to touch a record 3.21 million tonnes in 2011-12 on robust demand from the traditional markets in West Asia. In the previous year, exports stood at 2.18 million tonnes (mt).

In value terms, exports were up 46 per cent at Rs 15,450 crore against Rs 10,578 crore in 2010-11. In dollar terms, the export growth was 29 per cent at \$3.22 billion against \$2.49 billion last

year, said Mr A. K. Gupta, Advisor, Agriculture and Processed Foods Exports Development Authority (Apeda). The lower growth in dollar is due to a weak rupee.

In the current financial year, too, exporters hope to sustain the growth momentum on robust demand. "At present, exports are around 3,00,000 tonnes a month," said Mr Anil Mittal, Chairman and Managing Director of KRBL, the country's largest exporter, which owns the India Gate brand.

Growth factors

The Government's recent moves to scrap the minimum export price (MEP), and resume direct shipments to Iran, the largest market; as also China's decision to import Indian basmati would help accelerate the exports.

Iran, Saudi Arabia and the United Arab Emirates were the three large export markets during 2011-12, Mr Gupta said.

Non-basmati shipments

Non-basmati exports have also kept the same pace as the aromatic rice. Their shipments have exceeded 5 million tonnes so far, Mr Gupta said. The Government had opened up exports of non-basmati rice last September on bumper harvest. Latest estimates indicate that rice production will touch 104.32 mt against the target of 102 mt. African nations such as Nigeria and Ghana are the major destinations for the Indian non-basmati exports.

Total rice shipments, including both basmati and non-basmati, were 7.3 mt in 2011-12, making India the largest rice exporter, said Mr Vijay Setia, former President of All-India Rice Exporters Association.

Area may go up

The truant monsoon has slowed planting of non-basmati varieties in North India as the sowing period is almost over, said Mr Setia. He expected farmers to switch to basmati as the planting goes on till August 10. Also, better returns from basmati may aid the trend as prices have shot up by almost 60 per cent over last year, Mr Setia said.

Last year, basmati rice was planted on about 15.5 lakh hectares in Punjab, Haryana and Uttar Pradesh.

Coonoor tea sale volume at five-week low

P. S. Sundar

Coonoor, July 18:

A volume of 18.53 lakh kg will be offered at Sale No: 29 of Coonoor Tea Trade Association auctions on Thursday and Friday, reveals an analysis of brokers' listing.

This is the lowest volume in the last five weeks. This is 2.30 lakh kg less than last week's offer but 1.82 lakh kg more than the offer this time last year.

Of the 18.53 lakh kg on offer, 13.54 lakh kg belongs to the leaf grades and 4.99 lakh kg belongs to the dust grades. As much as 17.04 lakh kg belongs to CTC variety and only 1.49 lakh kg, orthodox variety. The proportion of orthodox teas continues to be low in both the leaf and dust grades. In the leaf counter, only 0.76 lakh kg belongs to orthodox while 12.78 lakh kg, CTC. Among the dusts, only 0.73 lakh kg belongs to orthodox while 4.99 lakh kg, CTC.

The substantial portion of this volume comprises fresh teas totalling 16.23 lakh kg. About 2.30 lakh kg comprises teas unsold in previous auctions. Last week, 78 marks got Rs 100 and more. Homedale Estate tea, auctioned by Global Tea Brokers, topped the CTC market at Rs 151 a kg. Hittakkal Estate got Rs 132, Darmona Estate Rs 131, Vigneshwar Estate Rs 129 and Professor Rs 126. Among orthodox teas from corporate sector, 31 marks got Rs 100 and more. Chamraj got Rs 208, Havukal and Kairbeta Rs 161 each, Curzon Rs 151 and Corsley Rs 148.

Govt may set stock limits on farm items to curb price rise



Prof K.V. Thomas

SOARING PRICES*		
Commodity	July 18	June 20
Maize	1,099	1,230
Tur	3,800	4,200
Chana	3,600	4,575
Urad	3,659	4,259
Moong	3,350	4,000
Castor	3,100	3,400
Sesame	6,100	6,750
Mustard	3,740	3,907
Soyabean	3,420	4,200
Soyameal	3,525	4,100
Sugar	3,181	3,471

Prices in Rs/quintal at various markets

Source: Agmarknet

New Delhi, July 18:

The Government may consider imposing stock limits on various agriculture commodities to control the rising prices.

Such a move may help prevent hoarding as prices of commodities such as pulses and edible oils have firmed up in recent weeks on concerns over tight global supplies and weak monsoon hurting domestic output.

“We are reviewing the price situation and are in constant touch with the State Governments. We will also examine the option of imposing stockholding limits on commodities,” said the Food Minister, Prof K.V. Thomas. He, however, did not specify the commodities.

Prof Thomas was speaking to reporters after launching a bulletin ‘Standing on the Threshold: Food justice in India’ brought out by the Institute of Development Studies and Oxfam India. The Government had imposed stock limits in 2008 on sugar, pulses, onions, paddy and edible oils to control prices. The restrictions were withdrawn since 2009 on improved supply and higher production. The Food Minister’s statement assumes significance as the overall food inflation rose to 10.81 per cent in June from 7.64 per cent in corresponding last year. In May, the food inflation stood at 10.74 per cent. Prices of oils and fat have jumped 16.58 per cent in June, while

pulses were up 9.34 per cent over corresponding month last year. Sugar prices rose 5.93 per cent in June.

Prof Thomas said that the Government would wait until August, by when a clearer picture on monsoon will emerge, to review the export policy on food commodities such as sugar and rice. The Government had eased curbs on exports of rice, wheat and sugar last year.

Monsoon woes

However, a 22 per cent deficit in the South-West monsoon, so far, has triggered concerns in several quarters over the potential impact on food output. "We need not worry about the foodgrain supply as we have sufficient rice and wheat stocks," Prof Thomas said.

But the Food Minister expressed concern over pulses as production may drop. Key pulse growing regions in Karnataka and Maharashtra have witnessed scanty rain that has impacted the sowing. Production of pulses was down 5.6 per cent to 17.21 million tonnes in 2011-12, when foodgrain output touched an all-time high of 257.44 million tonnes.

Vegetable procurement from Idukki

Our Bureau

Thiruvananthapuram, July 18:

The Kerala State Horticultural Products Development Corporation (Horticorp) has started procurement and distribution of 'cold season' vegetables harvested locally as part of the Idukki package.

Among the main produce are potato, carrot, beetroot, cabbage, beans and cauliflower, an official spokesman said here. It is expected that the harvest size could be of the order of 15,000 tonnes.

The first load of vegetables from the designated farms in Idukki district has already been despatched from Munnar, the spokesman added.